

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )

Billed Party Preference for IntraLATA )  
0+ Calls )

CC Docket No. 92-77

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REPLY COMMENTS OF:

STATE OF MAINE PUBLIC UTILITIES COMMISSION  
STATE OF MONTANA PUBLIC SERVICE COMMISSION  
NEW MEXICO STATE CORPORATION COMMISSION  
STATE OF VERMONT DEPARTMENT OF PUBLIC SERVICE

August 14, 1996

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REPLY COMMENTS OF THE MAINE, MONTANA, NEW MEXICO, AND VERMONT  
COMMISSIONS

In its comments Sprint argues that the Commission's proposed requirement to disclose rates that exceed the benchmark level will create a powerful inducement to moderate the charges in the high-rate tier of the Operator Service Provider market. Sprint goes on to state the benchmark rate and disclosure requirements will have the desired effect only if they are vigorously enforced, and violators are swiftly and severely punished. Sprint fears that in the absence of effective enforcement action, the imposition of a benchmark/disclosure requirement will only serve to penalize those OSPs who comply with the rules because those carriers that can evade the rate disclosure requirement will be in a position to pay larger commissions than carriers that comply with the rules. Sprint argues that carriers that charge the above-benchmark rates and comply with the disclosure requirement will be disadvantaged, vis-a-vis carriers that do not disclose their rates, in two respects: they will incur the costs involved in disclosing their rates; and they can be expected to complete fewer calls, since some consumers will undoubtedly choose not to complete the call on a 0+ basis once they learn what rates will be charged. Thus, instituting a benchmark/disclosure regime without the realistic threat of effective enforcement will, in the long run, not protect the public and will only injure carriers that undertake to comply with the Commission's rules in good faith.

The commenting states agree with Sprint that the disclosure requirement will only work if vigorously enforced. However, we are concerned that the Commission will not have the necessary resources to ensure enforcement given the powerful economic incentive not to comply with the proposed disclosure regime. The fact that disclosure is likely to cost carriers 35 cents

per call (Sprint comments, Footnote #3, p. 4) will almost ensure non-compliance unless the consequences for non-disclosure are draconian. Furthermore, disclosure in English without detailed instructions on how to avoid the OSP's charges will not be of much help to non-English speaking consumers who do not understand English, consumers who are not familiar with the 1+0+XXX calling method, or those consumers who do not know the "carrier codes" of a low cost operator service provides.

The commenting states submit that a more viable and workable alternative to disclosure would be to use the benchmark rate as ceiling rate for all operator service calls. OSPs should be flatly prohibited from charging rates in excess of the benchmark.

If the Commission adopts a notice requirement rather than an absolute ceiling the commenting states suggest that any oral information required to be given by an OSP, be provided audibly and distinctly, in both English, and in the predominant second language, if any, of the residents of the wire center served by the aggregator's telephone. The oral information should also provide the consumer with directions regarding how to reach and use a carrier whose rates are less than the benchmark. One possible means of enforcing the notice requirement would be a rule not requiring customers to pay any charges exceeding the benchmark if the required notice is not given.

We agree with Sprint that since inmates in correctional institutions typically have no ability to select an operator service provider, the benchmark/disclosure requirements would not be

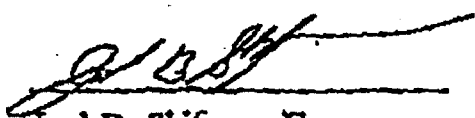
effective in curbing the incentives to charge high rates for calls from such phones. We support Sprint's alternative suggestion that the benchmark rates should be established as ceiling rates for calls from inmate-only phones in correctional institutions, i.e., that OSPs be flatly prohibited from charging rates in excess of the benchmark.

Finally, the commenting states oppose any rules that would preclude states from adopting more safeguards and/or more stringent rules regarding OSPs. Most states have rules and procedures in place to protect consumers from excessive OSP rates and unfair practices.

Respectfully submitted,

for the

MAINE PUBLIC UTILITIES COMMISSION



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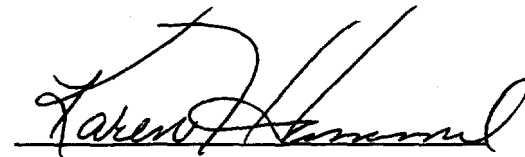
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A handwritten signature in black ink, appearing to read "Karen Finstad Hammel", written over a horizontal line.

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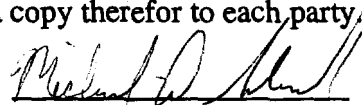
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Comments of the State of Maine Public Utilities Commission, State of Montana Public Service Commission, New Mexico State Corporation Commission, and the State of Vermont Department of Public Service, CC Docket No. 96-253, has today been served on the list below by mailing a copy therefor to each party.

Date: August 14, 1996



Michael D. Sheard  
Montana Public Service Commission

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